## Message Text

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ACTION IO-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

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USIA-06 ACDA-05 OIC-01 AF-04 ARA-06 EA-06 EUR-08

NEA-06 DPW-01 MMS-01 DRC-01 /092 W ----- 096893

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E.O. 11652: N/A

TAGS: EGEN, ECOSOC, UNGA SUBJ: JACKSON STUDY

REF: USUN 3376, STATE 207769

1. THOMAS OLIVER, WHO IS ONE OF 2-MAN STAFF PRESENTLY ASSIGNED TO ASSIST JACKSON, GAVE MISOFF SEPTEMBER 26 SOME ADDITIONAL DETAILS RE STATUS OF JACKSON STUDY. SO FOR WORK HAS BEEN DONE ONLY ON STALZS OF OTC. PRIOR TO HIS DEPARTURE FROM NY, JACKSON GAVE SYG WALDHEIM AN OPTIONS PAPER ON OTC. OPTIONS IN BRIEF ARE: (1) ESTABLISHING OTC AS A NEW DEPARTMENT COMPLETELY DISASSOCIATED FROM ESA; (2) ABOLITION OF OTC, ITS OPERATIONAL FUNCTIONS BEING MOVED ENMASSE TO UNDP; (3) ABOLITION OF OTC, WITH DISPERSAL OF ITS TASKS TO VARIOUS PARTS OF THE SYSTEM INCLUDING THE REGIONAL ECONOMIC COMMISSIONS, UNDP; (4) FOLDING ESA'S SUBSTANTIVE DIVISIONS INTO OTC; AND (5) FOLDING OTC INTO SUBSTANTIVE DIVISIONS, ETC. WALDHEIM MAY HAVE SELECTED ONE OF THE OPTIONS PRIOR TO JACKSON'S SCHEDULED RETURN TO NY OCTOBER 8. JACKSON WOULD THEN RECEIVE HIS TERMS OF REFERENCE AND A DIRECTIVE TO UNDERTAKE A THOROUGH ANALYSIS OF THE OTC OPTION SELECTED. LIMITED OFFICIAL USE

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- 2. ALTHOUGH ANALYSIS OF OTC OPTION WOULD HAVE WIDE REPERCUSIONS ON ESA, AS MATTERS PRESENTLY STAND JACKSON NOT AUTHORIZED TO CONSIDER ESA RE-ORGANIZATION UNTIL OTC FUTURE HAS BEEN DETERMINED. FYI: IN JUNE SYG ISSUED DIRECTIVE SETTING UP SEPARATE DEPT, THEN WITHDREW IT. END FYI
- 3. THIRD STAGE OF JACKSON STUDY WOULD ENCOMPASS THE IMMEDIATE UN FAMILY, I.E., UNICEF, UNDRO, UNCTAD AND UNDP. OLIVER THOUGHT IT HIGHLY UNLIKELY THAT THIS THIRD PHASE WOULD BE COMPLETED IN TIME FOR SEPTEMBER 75 SPECIAL SESSION.
- 4. AS REGARDS OTC, OLIVER EXPRESSED PREFERENCE FOR SEPARATE DEPARTMENT FOR OTC. MOST OF THE OTHER OPTIONS HE THOUGHT WOULD NOT BE POLITICALLY ACCEPTABLE. HE BELIEVES THAT PRESENT POOR PERFORMANCE OF OTC IS DUE AT LEAST IN PART TO VERY CONFUSED LINES OF RESPONSIBILITY WITHIN AND BETWEEN ESA AND OTC. HE SEEMS TO BELIEVE THAT ESA PROFITS UNDULY FROM PROCEEDS OF OVERHEAD FINANCING, WHICH ALTHOUGH INTENDED FOR OTC USE, IS BEING UTILIZED BY DE SEYNES FOR PURPOSES OTHER THAN OTC. HE CAUTIONED THAT EXISTING PROBLEMS, SUCH AS OTC'S RELATIONSHIP WITH TARS AND THE PURCHASE AND TRANSPORTATION SERVICE, WOULD NOT DISAPPEAR BY CREATION OF AN OTC DEPARTMENT, AND WOULD NEED PROFOUND STUDY.
- 5. MORE GENERALLY, OLIVER SAID THAT SECRETARIAT OFFICIALS INTERESTED IN AND INVOLVED WITH THE JACKSON STUDY ARE KITTANI, DE SEYNES, BRADFORD MORSE, JKERMAKOYE AND NARASIMHAN. UNDP ADMINISTRATOR PETERSON IS OF COURSE INTERESTED IN THE STUDY. OLIVER SAID THAT THEY HAD RECEIVED NO INDICATION OF THE POSITION ON RE-ORGANIZATION OF THE NEW UNDERSCRETARY DESIGNATE. OLIVER UNDERSTANDS THAT HE WILL TAKE UP HIS DUTIES JANUARY 1.
- 6. AS A FORMER MEMBER OF THE ECOSOC SECRETARIAT, OLIVER IS CONCERNED RE RELATION OF ESA TO ECOSOC AND BELIEVES THAT THIS SHOULD BE A CRUCIAL FACTOR IN ESA PORTION OF JACKSON STUDY AND BE A CONCERN OF ECOSOC ITSELF IN ITS DELIBERATIONS. IN THAT CONNECTION HE QUERIES WHETHER IT LIMITED OFFICIAL USE

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MIGHT NOT BE ADVISABLE FOR JACKSON TO CONSULT MORE OR LESS FORMALLY WITH GOVERNMENT ON THE PROGRESS OF THE JACKSON STUDY. OLIVER CONSIDERES THAT ANY STUDY MUST ACCURATELY REFLECT THE POLITICAL WILL OF GOVERNMENTS. HE FELT THIS WAS A WEAK POINT OF PREVIOUS RE-ORGANIZATION STUDIES, IN THAT ALTHOUGH THEY ARE BEAUTIFULLY SYMMETRICAL, GOVERNMENTS COULD NOT SEE THEIR WAY TO IMPLEMENT THEM.

7. OLIVER BELIEVES THAT AS A RESULT OF STINGING EXCHANGE AT GENEVA ACC MEETING, WALDHEIM IS NOT DISPOSED TO PROCEED WITH ANY RECOMMENDATION FOR A STUDY OF THE RE-ORGANIZATION OF THE LARGER UN FAMILY, I.E., INCLUDING THE SPECIALIZED AGENCIES. WE UNDERSTAND, HOWEVER, THAT AT SUGGESTION OF UNESCO'S MAHEU, THERE IS A LIST OF ADVISERS COMPOSED OF REPRESENTATIVES OF THE SPECIALIZED AGENCIES WHO MIGHT ADVISE THE SYG ON QUESTION OF RE-ORGANIZATION. MISSION WILL ATTEMPT TO PURSUE THIS POINT AND REPORT SPECIFICS

## COMMENT:

8. WE UNDERSTAND THAT GOVT OF FRANCE HAS MADE DEMARCHE TO SYG ASKING HIM TO DELAY ANY DECISION RE RE-ORGANIZATION OF ESA UNTIL UNDER-SECRETARY DESIGNATE VAN LAETHEM ASSUMES CHARGE JANUARY 1. MISSION FURTHER UNDERSTANDS THAT UK SUPPORTS FRANCE IN THIS. IT WOULD NOT, HOWEVER, BE UNPRECEDENTED FOR THE SYG TO MOVE AHEAD WITH RE-ORGANIZATION OF OTC DESPITE GOVERNMENTAL RESISTANCE.

9. RE PARA 4 ABOVE, THE MISSION BELIEVES THAT OLIVER OPINIONS RE FUNDING OF OTC ARE INCORRECT. IN FACT OVERHEAD OR PROGRAM SUPPORT COSTS PAYMENTS TO THE UN FROM UNDP ARE HANDLED IN TWO DIFFERENT WAYS, FIRST, FOR UNIDO AND UNCTAD THE TOTAL AMOUNT OF FUNDS ARE DIRECTLY ALLOCATED TO THEM, AND THEY IN TURN MAKE THEIR OWN INTERNAL ALLOCATION. SECOND, THE UN HANDLES THESE FUNDS AS THOUGH THEY WERE REGULAR BUDGET FUNDS. THE BUDGET DIVISION SITS DOWN WITH ESA AND OTHERS TO DETERMINE WHAT THEIR REQUIREMENTS ARE FOR THESE FUNDS BASED ON PROGRAMS BEING EXECUTED. THESE "REQUESTS" ARE THEN ANALYZED AND ALLOCATIONS MADE BY THE BUDGET DIVISION TO THE VARIOUS UNITS, PRIMARILY ESA, IN TERMS LIMITED OFFICIAL USE

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OF ADDITIONAL POSTS, TRAVEL FUNDS, ETC. IN MAKING THIS ALLOCATION, IT IS NOT TO ESA AS A WHOLE; RATHER IT IS BROKEN DOWN DIVISION-BY-DIVISION. CONSEQUENTLY, DE SEYNES COULD NOT SIPHON OFF MONEY ALLOCATED TO OTC AND REALLOCATE IT TO ANOTHER ESA UNIT. THE BUDGET DIVISION ALSO AUDITS AND OTHERWISE KEEPS ACCOUNT OF THE USE OF THESE ALLOCATIONS.

10. OLIVER FURTHERMORE OMITTED TO MENTION THAT UNDERSECRETARY DAVIDSON IS DEEPLY INVOLVED IN THE JACKSON STUDY. FURTHERMORE MR. CECIL GOODE OF DAVIDSON'S OFFICE IS WORKING HAND-IN-HAND WITH JACKSON. JACKSON IN THE PAST HAS DEPENDED HEAVILY ON THE WORK OF AMS AND WE UNDERSTAND THAT DAVIDSON INTENT THAT AMS BE KEPT IN THE PICTURE.

END COMMENT

11. RECOMMENDATION: DEPT MAY WISH TO FOCUS ON USG POSITION OF DESIRABILITY OF OPTIONS ON OTC ORGANIZATION REFERRED TO PARA 1. SPECIAL ATTENTION MIGHT BE DEVOTED TO THE OPTION APPARENTLY FAVORED BY JACKSON, I.E., THE ESTABLISHMENT OF AN NEW OTC DEPARTMENT. FURTHERMORE THE DEPT MAY WISH TO CONSIDER THE MERITS OF THE OLIVER SUGGESTION THAT A SYSTEM OF FORMAL GOVERNMENT CONSULTATIONS WITH JACKSON TAKE PLACE AS THE STUDY EVOLVES. USUN PREFERS AN INFORMAL SYSTEM SINCE A FORMAL SYSTEM WOULD UNDOUBTEDLY INVOLVE AN UNMANAGEABLE NUMBER OF GOVERNMENTS AND SINCE WE HAVE EXCELLENT CONTACTS WITH SECRETARIAT OFFICIALS INVOLVED IN THE STUDY.

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